## Case 13-50194-btb Doc 81 Entered 07/16/13 10:56:34 Page 1 of 9 1 John White, Esq., Bar #1741 E-filed: July 16, 2013 335 West First Street 2 Reno, NV 89503 Telephone: (775) 322-8000 Facsimile: (775) 322-1228 john@whitelawchartered.com 4 Attorney for Joint Debtors 5 UNITED STATES BANKRUPTCY COURT 6 DISTRICT OF NEVADA 7 In re: Chapter 12 8 9 PATRICK AND PATRICIA McCAULEY, CASE NO: BK-N-13-50194-btb 10 SUPPLEMENT TO THE FIRST AMENDED **CHAPTER 12 PLAN** 11 Hearing Date: July 16, 2013 12 Joint Debtors. Hearing time: 3:00 p.m. 13 **DEBTORS** hereby file an updated Exhibit 1 to their First Amended Chapter 12 Plan filed 14 herein on July 12, 2013 (Doc. 75). This exhibit, as attached, shows the effect of the proposed July 15 16 15, 2013 settlement with the Dambacher Trust on Debtors' expenses. 17 Dated: July 16, 2013. 18 19 WHITE LAW CHARTERED 20 By: <u>/s/ John White</u> 21 John White, Esq. 22 23 24 25 26 27 28

## Case 13-50194-btb Doc 81 Entered 07/16/13 10:56:34 Page 2 of 9 1 CERTIFICATE OF SERVICE 2 I hereby certify that on the date below shown, I served a true and correct copy of the 3 attached SUPPLEMENT TO THE FIRST AMENDED CHAPTER 12 PLAN, to the parties below. 4 in the following manner: 5 $\underline{X}$ a. Via the Court's ECF System, on the following: 6 Michael R. Brooks on behalf of Creditor John J. Benner and Mary Alice Sandstrom, General 7 Partnership isallade a brooksbauer.com 8 Christopher D. Jaime on behalf of Creditor Milton Dambacher chaine a methodola a const, <u>kaharnhard: a meirenolaw .com</u> 9 10 Jan P. Johnson ch12jph13trustee.com 11 John White Bankruptcy@whitelawchartered.com, John Whitelawchartered.com Nathan R. Zetzer <u>nezbk/a yahoo.com;</u> nrzbk@gmail.com 12 13 Via United States mail, postage prepaid by depositing a true and correct copy of Notice of b. 14 Hearing on the date shown below, into the U.S. Post Office, Reno, NV to the interested parties described below: n/a 15 16 I declare under penalty of perjury that the foregoing is true and correct. 17 Signed on: July 16, 2013. 18 /s/ Mary Hernandez 19 Declarant, Mary Hernandez 20 21 22 23 24 25 26 27 28

Estimated income, Expenses and Cash Flow, Patrick and Patricia McCauley

The McCauley's are sole owners of GC Livestock, LLC which they use for a sheep operation which produces and sells lambs as well as wool and cull ewes. The McCauley's also own a ranch near Cedarville California which is currently under lease through December 31, 2015. Lacking perfect knowledge as to the future of the lease a cash flow was estimated assuming the lease will be terminated this year and one assuming the lease will continue for the 5 year period of the plan.

It is assumed the McCauley's will operate the ranch, if the lease is terminated, in conjunction with the sheep operation known as GC Livestock. There will be joint costs shared between the two enterprises.

There are four tables attached that that show the cash flow for the McCauley's under two assumptions: (1) the Cedarville ranch will continue to be leased and (2) the McCauley's will assume management of the ranch. Under each assumption there are two tables. The first one estimates the cash flow for the first year and a second table estimates the cash flow for years 2 through 5 of the plan for each management assumption (see Tables 1-4).

Table 5 shows the assumptions for sheep production on income for each year. The McCauley's will wean a 140% lamb crop because of shed lambing and close supervision reducing predator loss. They will cull 20% of old ewes each year and retain 50% of the ewe lambs as replacements. This allows the number of breeding ewes to increase each year of the plan.

Table 6 gives the hay production and income assumptions.

Table 7 shows the plan payment schedule for secured creditors. There has been no allowance for Administrative Costs which are included in the funds remaining after paying secured creditors.

Table 1. GC Livestock LLC Monthly Income, Expenses and Cash Flow, assuming Alexandre's continues to lease ranch, Year 1 of Plan.

12 Month TOTAL	Case 13 Case 13	24,000 24,000 24,840 20104-ptp	Doc 81 6	Entered 0	07/16/13 0 0 0 0	10:56:34 0 00 0 0 00 0	Page 4 of	18,450	51,390
2014 SEPT		9,000 2,100 11,100	200	200	20	500	3	1,350	9,750
2014 <u>AUG</u>		9,000 2,100 11,100			20	500 50	3	029	10,450
2014 <u>JUL</u>	1,170	9,000 2,100 12,270	2,000		20	500	3	2,650	9,620
2014 JUN		9,000 2,100 11,100	200		20	500	3	850	10,250
2014 MAY		2,100	2,000		90	500 50	3	2,650	(220)
2014 <u>APR</u>	2,080	2,100		800	20	500	550	2,000	2,180
2014 MAR	2,000	2,100	200		20	500	3	850	3,250
2014 FEB	2,000	2,100			20	500	3	029	3,450
2014 JAN	1,590	2,100 3,690			20	500	3	650	3,040
2013 <u>DEC</u>	4,000	2,100	2,000		20	500	}	2,850	3,250
2013 NOV		0			20	500	}	650	(029)
2013 <u>OCT</u>		0	2,000		90	500	}	2,650	(2,650) (650)
Year Month	Lamb Sales Cull Ewe Sales Wool Sales	Rental Income Labor Income Total Income	EXPENSES Real Estate Taxes Insurance Hired Labor	Contract Shearing Livestock (Rams)	Vet/Medicine Fert./Seed/Chem. Truckina	Fuel R & M Supplies	Utilities (Irrigation) Legal & Acct Operating Int. Hay for Lambing	Total Cash Exp.	CASH FLOW

Table 2. GC Livestock LLC Monthly Income, Expenses and Cash Flow, assuming Alexandre's continues lease, Years 2-5 of Plan.

12 Month TOTAL	15,000 1,750 2,285 130	36,000 21,000 76,035 76,035	Doc 81 6	Intered 0 0 00 0 00 0 00	7/16/13 0 0 0 0	10:56: 0 00 0 6	34 Page 5 0 00 0 0 90 0 0	0 <mark>6</mark> 0 18,750	57,285
14-18 SEPT		9,000 2,100 11,100	200	200	20	500 75	90	1,375	9,725
14-18 <u>AUG</u>		9,000 2,100 11,100			20	500	20	675	10,425
14-18 <u>JUL</u>	1,750	9,000 2,100 12,850	2,000		20	500	20	2,675	10,175
14-18 JUN		9,000 2,100 11,100	200		20	500	20	875	10,225
14-18 <u>MAY</u>	4,000	2,100	2,000		50	500 75	50	2,675	3,425
14-18 <u>APR</u>	6,000	2,100		800	20	500	50	2,025	6,075
14-18 <u>MAR</u>	3,000	2,100	200		20	500 75	20	875	4,225
15-19 FEB	2,000	2,100			90	500	20	675	3,425
15-19 <u>JAN</u>	2,285	2,100			20	500 75	20	675	3,710
14-18 <u>DEC</u>		2,100	2,000		20	500 75	20	2,875	(222)
14-18 NOV		0			20	500 75	20	675	(675)
14-18 <u>OCT</u>		0	2,000		20	500 75	20	2,675	(2,675)
Year Month INCOME Source	Lamb Sales Cull Ewe Sales Wool Sales Hay Sales	Rental Income Labor Income Total Income	EXPENSES  Real Estate Taxes Insurance Hired Labor	Contract Shearing Livestock (Rams) Purchased feed	Vet/Medicine Fert./Seed/Chem. Truckina	Fuel S R&M	Supplies Utilities (Irrigation) Legal & Acct Operating Int. Hay for Lambing	Grazing Purchase Total Cash Exp.	CASH FLOW

Table 3. GC Livestock LLC Monthly Income, Expenses and Cash Flow, with McCauley's Farming Ranch, Year 1 of Plan.

12 Month TOTAL	Case 13 065,1	3-50194 0 0 000,0 1	192,840 dq	Do				ter 008	200 bg	)7 O	/16 009	12,000 12	25,000	14,500 ::	2,000			29,600 g	220 je 6	of 9		51,890
2014 SEPT	6	40,000	40,000		200	2,500			200		20	2,500	10,000	2,500		200	100				18,550	21,450
2014 <u>AUG</u>		40,000	40,000			2,500					20	2,500	10,000	3,000		200	100	7,400			25,750	14,250
2014 <u>IUL</u>	1,170	100,000	101,170	0000	2,000	2,500					20	2,500	10,000	3,000		200	100	7,400			27,750	73,420
2014 <u>JUN</u>			0		200	2,500					20	2,500	25,000	2,000		200	100	7,400			39,950	(39,950)
2014 <u>MAY</u>			0	2,000	200,1						20	2,500		200		200	100	7,400			12,750	(12,750)
2014 <u>APR</u>	2,080		2,080					800			20	2,500		200	2,000	200	100		550		6,700	(4,620)
2014 <u>MAR</u>	2,000		2,000		200						20			200		200	100				1,050	950
2014 FEB	2,000		2,000								20			200		200	100				820	1,150
2014 <u>IAN</u>	1,590		1,590								20			200		200	100				850	740
2013 <u>DEC</u>	4,000		4,000	2 000	200						20			200		200	100				3,050	950
2013 NOV			0								20			200		200	100				850	(850)
2013 <u>OCT</u>			0	2 000							20			200		200	100				2,850	(2,850)
Year Month <u>INCOME Source</u>	Lamb Sales Cull Ewe Sales Wool Sales	nay sales Rental Income Labor Income	Total Income	EXPENSES Real Estate Taxes	Insurance	Hired Labor	Labor groceries	Contract Shearing	Livestock (Rams)	Furchased feed	Vet/Medicine	Fert./Seed/Chem.	Custom Harvest	Fuel	Equipment Purchase	R & M (include Irrig)	Supplies	Utilities (Irrigation)	Legal & Acct Onerating Int	Grazing Purchase	Total Cash Exp.	CASH FLOW

Net Farm Income

Table 4. GC Livestock LLC Monthly Income, Expenses and Cash Flow, with McCauley's Farming Ranch, Years 2-5 of Plan.

Years Month INCOMF Source	14-18 0CT	14-18 NOV	14-18 DEC	14-18 JAN	14-18 FEB	14-18 MAR	14-18 APR	14-18 MAY	14-18 JUN	14-18 JUL	14-18 AUG	14-18 SEPT	12 Month TOTAL
Lamb Sales Cull Ewe Sales				[ (	2,000	3,000	6,000	4,000		1,750			15,000 Case 1,750 e
Wool Sales Hay Sales Rental Income	40,000			7,285						100,000	40,000	40,000	2,285 220,000 220,000
Labor Income Total Income	40,000	0	0	2,285	2,000	3,000	9000'9	4,000	0	101,750	40,000	40,000	0194-btb 0032032623
EXPENSES Real Estate Taxes	2,000		2,000					2,000		2,000			Doc 000'8
Insurance Hired Labor			200			200			200	2.500	2,500	200	81 000001
Labor groceries							Ö			o D		î	Ente
Livestock (Rams)							800					200	ered 008 008
Purchased feed	L	i L	C L	l	1	Ī	1	1					07/ 0
Vet/Medicine	20	20	20	20	20	20	20	20	20	20	20	20	
Fert./Seed/Chem. Custom Harvest							3,000	3,000	3,000	3,000	3,000	3,000	
Fuel	200	500	200	500	200	200	200	200	000,c2 500	10,000	10,000 500	10,000	10:000 9
Equipment Purchase	) )						200	25,000	ooc	2000	200	000	25,000 25,000
R & M (include Irrig)	200	200	200	200	200	200	200	2,000	3,500	3,000	3,000	2,500	
Supplies	100	100	100	100	100	100	100	1,000	1,000	1,000	1,000	1,000	5,700
Utilities (Irrigation)								7,400	7,400	7,400	7,400		29,600 <mark>8</mark>
Legal & Acct Operating Int.							550						je 7 0 0 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Grazing Purchase													of 9
Total Cash Exp.	2,850	820	3,050	850	820	1,050	5,200	40,950	43,150	29,450	27,450	20,250	175,950
CASH FLOW	37,150	(850)	(3,050)	1,435	1,150	1,950	800	(36,950)	(43,150)	72,300	12,550	19,750	63,085

Net Farm Income

Table 5. GC Livestock Sheep Production and Income.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Ewes Lambed</b>	120	138	159	183	210
% weaned	1.40	1.40	1.40	1.40	1.40
Wethers Lambs	84	97	111	128	147
Ewe Lambs	84	97	111	128	147
Ewes culled/die	24	28	32	37	42
Ewes Replaced	42	48	56	64	73
Wethers Sold	84	97	111	128	147
Ewe Lamb Sold	42	48	56	64	73
Total Lambs Sold	126	145	167	192	220
Value per lamb	80	80	80	80	80
Lamb Income	10,080	11,592	13,331	15,330	17,630
Cull Ewes Sold No	18	21	24	28	35
Value per Ewe	65	65	65	65	65
Cull Income	1,170	1,365	1,560	1,820	2,275
Sheep Sheared	141	163	187	215	247
Wool pounds	1,273	1,464	1,684	1,936	2,227
Price per Lb.	1.25	1.25	1.25	1.25	1.25
Wool Income	1,591	1,830	2,105	2,420	2,783
Sheep Income	12,841	14,787	16,995	19,571	22,688
Shearing Costs					
Head Sheared	141	163	187	215	247
Cost per Head	4.50	4.50	4.50	4.50	4.50
Total Costs	637	732	842	968	1,113

Table 6. GC Livestock Hay Production and Income Assumptions.

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Acres Harvested	300	300	300	300	300
Yield (Estimate)	4.00	4.00	4.00	4.00	4.00
Tons	1,200	1,200	1,200	1,200	1,200
Tons Sold	1,180	1,180	1,180	1,180	1,180
Value/Ton	185	185	185	185	185
Hay Income	218,300	218,300	218,300	218,300	218,300

Table 7. Payment Schedule.

Source of Income	Table 1	Table 2	Table 3	Table 4
Net Farm Income	51,390	57,285	51,890	63,085
Less McCauley's Living Expenses	22,320	22,320	22,320	22,320
Available to pay Creditors	29,070	34,965	29,570	40,765
Plan Payments to Secured Creditors, Year 1 of P	<u>lan</u>			
Benner & Sandstrom	19,847	19,847	19,847	19,847
Dambacher	2,526	2,526	2,526	2,526
Modoc County Tax	6,357	6,357	6,357	6,357
Total Secured Payments	28,730	28,730	28,730	28,730
Balance of Funds Available*	340	6,235	840	12,035
* Administrative Expenses included here.				
Plan Payments to Secured Creditors, Years 2, 3 a	and 4 of Plar	<u>1.</u>		
Benner & Sandstrom	19,847	19,847	19,847	19,847
Dambacher	8,797	8,797	8,797	8,797
Modoc County Tax	6,357	6,357	6,357	6,357
Total Secured Payments	35,001	35,001	35,001	35,001

(5,931)

(36)

(5,431)

5,764

Balance of Funds Available\*

<sup>\*</sup> Administrative Expenses included here.